

GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Public Services – Treasuries and Accounts Department – Pension Payment Offices, Hyderabad – Fraudulent drawal of pensions by Sri Md.Ashfaq, formerly private receipt writer O/o APPO, Chandrayanagutta and Md. Ibrahim Khaleel, Controller, APSRTC, Barkatpura to a tune of Rs.20.00 lakhs – Departmental Proceedings initiated against Retired Officers/in Service Officers of PPO Unit of Treasuries and Accounts Department – Disciplinary action against Smt.Juliana, APPO (Retd.) – Imposition of punishment of withholding of Rs.4,055/- per month from her pension for a period of thirty six months (36 months) under Rule 9 of A.P. Revised Pension Rules, 1980 – Orders – Issued.

FINANCE (ADMN.I.VIG.) DEPARTMENT

G.O.Rt.No. 2053

Dated:16-05-2011

Read the following:-

1. DTA Charge Memo.No. K5/22856/2001-1, dt:14-02-2004.
2. Defence Statement of Smt.Juliana, APPO, (Retd),dt: 09-05-08.
3. G.O.Rt.No.4512, Finance (Admn.I.Vig) Dept, dt: 19-11-2008.
4. Enquiry Report of Sri Janak Raj, Commissioner of Inquiries
D.O.Lr.No.2128/COI.JR/2008,dt:05-11-2009.
5. Govt.Memo.No.13365-A/42/A2/Admn.I.Vig/2003, dt.17-11-09.
6. DTA. Lr.No. K(II)8/22856/2001, dated 27-03-2010 along with
Representation of Smt.A.Juliana,APPO,(Retd.) dt. 23-12-2009.
7. Govt.Memo.No.13365-A/42/A2/Admn.I.Vig/2003,dated:22-06-10.
8. Explanation of Smt.Juliana, APPO, (Retd.), dt.:10-07-2010.
9. Govt. Letter No. 13365-A/42/Admn.I.Vig/2003, dated 05-01-2011
addressed to Secretary, APPSC.
- 10.Secretary, APPSC Lr.No.186/RT-I/3/2011, dated 14-03-2011.

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ORDER:

The Director of Treasuries and Accounts, in the reference 1st read above, reported that a case of fraudulent drawals took place in the offices of Assistant Pension Payment Officers, Chandrayangutta, Motigally, Nampally, Punjagutta and Narayanaguda. This came to light when the Banjara Hills Police have nabbed two culprits – Sri Md.Ashfaq and Sri Ibrahim Khaleel. The preliminary reports indicated that the said Sri Mohd Ashfaq, who worked earlier as pension receipt writer at the O/o the APPO, Chandrayanagutta made use of his knowledge of pension payment procedures and his contacts with the staff of the office of different APPOs and resorted to fraudulent drawls by adopting dubious means. The enquiries have revealed that the culprits used to make representations in the name of the deceased pensioners, and get the addresses changed and change the bank of the pensioners and drew the amounts fraudulently. The Police investigations revealed that the culprits have resorted to this kind of fraud in about 30 cases. On the request of the police the probable amounts of

those fraudulent drawals has been estimated to be Rs.20,54,000/-. A criminal case in this matter has been registered in the Banjara Hills Police Station and it is under investigation. On detection of this fraud, the department undertook a detailed verification of those 30 Pension Payment Orders and found that the Assistant Pension Payment Officers have allowed the change of bank merely based on the option form or a representation received in the name of the pensioner and credited pension to the new bank account without following the prescribed procedure. The descriptive rolls were changed by affixing the photographs of the fake pensioners. The Assistant Pension Payment Officers concerned have failed to keep records in the safe-custody and thereby given scope for the culprits and those who were in connivance with them to have easy access and commit the fraud. The Charged Officers failed to follow the procedure prescribed in SRs.64 to 87 under TR.16 of A.P.Treasury Code. Vol-I and the procedure prescribed in G.O.Ms. No.213, Finance & Planning (FW PSC) Department, dated.19-12-1997 and instructions issued thereon from time to time and thus, they have not only given scope for these fraudulent drawals but also helped the culprits to continuously draw them over a period of time. They have not followed appropriate procedure in obtaining the life-certificates, descriptive rolls and in filing them in the files concerned. These failures have paved way for the culprits to tamper with records of the office and resort to fraudulent drawals.

2. Departmental Proceedings were initiated against Smt.Juliana, APPO (Retd.) along with others of PPO Unit of Treasuries and Accounts Department who were allegedly responsible for the irregularities and for their failure to follow the procedure prescribed in SRs.64 to 87 under TR.16 of A.P.Treasury Code. Vol-I and the procedure prescribed in G.O.Ms No.213, Finance & Planning (FW PSC) Department, dated.19-12-1997 and instructions issued thereon from time to time. The following Article of Charge has been framed against Smt.Juliana, the then Junior Accounts Officer, O/o APPO, Nampally now retired as APPO, vide DTA Charge Memo K5/22856/2001-1, dt.14-02-2004.

Smt.Juliana, APPO (Retd.), while working as Junior Accounts Officer, O/o APPO, Nampally during the period from October 1998 to March 2000 and also while working as Assistant Pension payment Officer, Malakpet has failed to follow the procedure prescribed in A.P.Treasury Code and Instructions issued thereon from time to time in making pension disbursements in respect of certain Pension Payment Orders and thereby given scope for drawls and was responsible for a loss of Rs.71,970/- to the exchequer.

Thus, Smt.Juliana, the then Junior Accounts Officer ,(Now Retd as APPO.), O/o APPO, Nampally by the above mentioned acts has exhibited lack of integrity devotion to duty and conduct unbecoming of a Government Servant and thereby contravened Rule 3 (1) & (2) of A.P. Civil Service (Conduct) Rules, 1964.

3. In her defence statement, while denying the article of charge framed against her she has requested to drop the charge on the following grounds:

(i) During the period of the payments, the life certificates are available which are issued by the authorities authorized by the Government in their G.O.Ms.No.79, Finance & Planning Dept., dt. 4-3-1989 and G.O.Ms.No.213, Fin & Plg. Dept., dt. 19-12-1997 and on those basis pension payments were made. The life certificates are available in support of the payments, whereas, the death certificates are not available in support of the charge till to date.

(ii) On verification of the PPOs, the last payment certificates, recorded in the Pension Payment Orders revealed that the said fake pensioners were transferred to APPO, Nampally from 3 different branches of pension payment offices, through APPO, Special Cell O/o. the Joint Director, Pension Payment Office, Hyderabad (ie) 10 cases from APPO, B&MO, 1 case from APPO, Narayanaguda and 1 case from APPO, C-Gutta in terms of orders issued in G.O.Ms.No.213, Fin. & Plg. (FW.PSC) Dept., dt. 19-12-1997. And one case of APPO, Malakpet, she has just continued the payment on that PPO from 1-7-2000 due to her being posted as Asst. Pension Payment Officer, Malakpet. Due to decentralization of pension payments through banks, these banks located in Sultan Bazar and Masab Tank, which come under the jurisdiction of Asst. Pension Payment Office, Nampally Branch Hyderabad. The 12 Bogus pensioners were transferred to A.P.P.O., Nampally Branch in October 1998 along with 10400 PPO from the APPO, Special Cell O/o. the JD, PO, Hyderabad for arranging further payments on the basis of the option/transfers applied by the pensioner. It is also submitted that according to G.O.Ms.No.213, Fin. & Plg (FW-PSC) Dept., dt. 19-12-1997 the disbursement of pensioners was made compulsory through Banks w.e.f. 1-10-1998 onwards. She have followed all the Rules and procedures required to be observed while making pension payments.

(iii) There were no special instructions from the Joint Director, PPO Hyderabad for the physical verification of the pensioners while receiving the bulk transferred PPOs. Hence the payment of pension was continued on all the PPOs including these 13(12+1) PPOs. The identification papers known as ABCD form which contained, photographs specimen signature, identification marks and address duly attested by a Gazetted Officer are filed during first payment only the question of re-verifying it by the staff who has continued the payments does not arise.

(iv) Further the life certificates were also received from time to time as required under rules in respect of these PPOs. As per SR 67 (a) under T.R. 6 of APTC Vol.I, a pensioner of any description need not appear at the Treasury in person if he produces a life certificate signed by any gazetted officer or authorized person mentioned in the Rule. The life certificate is mere enough to continue payment of pension according to this rule. The pension is being paid duly recording the entries in the cages of the computer PPOs. The original PPOs are kept in the record section. Only on receipt of Revision of Pension, Gratuity, CVP

and Restoration of Commuted Portion and Transfers of PPOs from one bank to another, the correctness are being verified with reference to the original PPO and necessary corrections and entries are carried out in the original PPOs. The pension payments of these 13(12+1) cases were stopped when the police station, Banjara Hills, Hyderabad have detected the fraud in December 2001 and files FIR SUO-MOTTO.

4. The defence of the charged officer that she had paid pension to bogus pensioners based on the life certificates is not at all tenable. It may not be possible to others, without collusion of the Charged Officers working in the APPO offices, to replace the photographs of the deceased pensioners pasted on the descriptive rolls with the photographs of the bogus pensioners. The defence of the Charged Officer is not satisfactory. The truth will come out only in a common inquiry of all the charged officers involved in the case. Hence, the Government have decided to conduct a regular common enquiry as per the procedure laid down under Rule 20 of A.P. Civil Services (CC&A) Rules 1991 read with Rule 9 of A.P. Revised Pension Rules, 1980. Since a common inquiry has to be ordered in this case to elicit the truth against all the 44 charged officers involved in this case, the disciplinary authority could not proceed with further action as majority of the Charged Officers did not submit their written statement of defence and insisted for certain original documents which were seized by the police and copies of certain documents.

5. Government, in exercise of the powers conferred by Sub-rule (2) of Rule 20 of A.P. Civil Services (CC&A) Rules, 1991, appointed Sri Janak Raj, IPS (Retd.) Commissioner of Inquiries, Department as Inquiry Authority to inquire into the charges framed against the Charged Officer Smt. Juliana, APPO (Retd.), Treasury and Accounts Department and in exercise of the powers conferred by Sub-Rule (5) of A.P. Civil Services (CC&A) Rules, 1991 appointed Sri Jagan Mohan Goud, Joint Director of Treasuries and Accounts O/o the Director General, Dr. MCR HRDI, Hyderabad as Presenting Officer.

6. The Inquiry Authority, Sri Janak Raj, Commissioner of Inquires has furnished his report vide reference 4th read above. In the Enquiry the charge framed against Smt. Juliana, APPO (Retd.) has been proved. While furnishing a copy of the report of Enquiry Officer, a Show Cause Notice was issued to Smt. Juliana, APPO (Retd.) as to why a suitable punishment should not be imposed against her as the charge framed against her has been proved in the inquiry vide reference 5th cited.

7. Smt. Juliana, APPO (Retd.) in her representation has stated that she is not aware of the replacement of descriptive roll of the said bogus pensioner as it might have taken place on any time prior to her officiating. The place i.e., the branch office where this mischievous act took place is not known until the police authorities informed. The charges have been framed after 4 years from the incident of receiving report from police authorities about payment of pension to the fake pensioners. Actually before the framing the charges against the employee who worked in the seat and APPO who initialed in the cages after sending

monthly pension with other pensioners a preliminary enquiry would have conducted and only after sending monthly pension with other pensioners a preliminary enquiry would have conducted and only after finding the correct person who started this bogus pensioners the charges would have framed. The enquiry authority in his report is also of an opinion that "No doubt the real thrust has to be to catch the criminals in this crime, those employees who connived with them and directly facilitated the Commission of this crime." But this has not been done at the juncture when a report was received from police authorities about the fraudulent drawl of fake pensioners upon nabbing two outsiders namely Mohd. Ashfaq and Mohd. Ibrahim Khaleel. There was no scope to see the pensioner before making payment as per G.O.ms.No.79, Finance and Planning (FW-PSC) department dt:4-3-1989 and G.O.Ms.No.213, Finance & Planning (FW-PSC) Department, dt:19-12-1997 in as much the pension was being paid through the bank only. Mustering of pensioner was also dispensed with as the pensioner need not visit Pension Payment Officer as per S.R.67 (A) under T.R. 16 of APTC Vol.1. The other point i.e., failure to obtain Life Certificate is not at all relevant to Smt.A. Juliana as the pensioners have submitted their life certificate on the specified period and the copies of the Life Certificates are hereby submitted for perusal. The question of obtaining Life Certificate does not arise. Therefore, he has requested the Government to issue orders exonerating her from the charge framed against her.

8. Government after careful consideration of the findings of the Inquiry Authority and representation of the Charged Officer, has provisionally decided to impose a punishment of withholding of Rs.4,055/- from her pension for a period of 36 months and issued a final Show Cause Notice to her vide reference 7th read above.

9. *According to Rule 9 (1) A.P. Revised Pension Rules, 1980, "The Government reserves to themselves the right of withholding a pension or gratuity, either in full or in part, or withdrawing a pension in full or in part, whether permanently or for a specific period and of ordering recovery from a pension or gratuity of the whole or part of any pecuniary loss caused, to the Government and to the local authority if, in any departmental or judicial proceedings the pensioner is found guilty of grave misconduct or negligence during the period of his service, including service rendered upon re-employment after retirement: Provided that the Andhra Pradesh Public Service Commission shall be consulted before any final orders are passed. Further, the Government will serve the person concerned with a show-cause notice specifying the action proposed to be taken under this rule and the person concerned will be required to submit his reply to the show-cause notice within such time as may be specified by the Government. The Government will consider the reply and consult the Andhra Pradesh Public Service Commission. If as a result of such consideration in consultation with the Commission, it is decided to pass an order under the rule, necessary orders will be issued in the name of the Government."*

10. Smt. Juliana, APPO (Retd.) in her explanation to the Final Show cause notice dated 22-06-2010 has stated that she had acted during the period of charge faithfully and loyally obeying the orders of Government and best of the satisfaction of superiors for the entire period of her 34 ½ years of service with an excellent clean record of service except the

present one which is not applicable to her. She therefore, requested that the proposed punishment **may be dropped** as she was a poor pensioner and she has no other source of income except the pension to maintain her livelihood in the hard days of living.

11. Government, after careful consideration of the material on record i.e. Charge Memo., defence statement, finding of the Inquiry Authority, explanation of the Charged Officer to the Show Cause Notices found that the Charged Officer did not follow the provisions contained under Sub Rules 64-87 under Rule 16 of the A.P. Treasury Code and the instructions thereon issued by the Government in payment of pensions. The charged Officer has stated that he had followed the orders issued GOs 79 and 213. In the said GOs orders were issued simplifying procedure in respect of payment of pensions. Pensions hitherto paid in cash at PPOs /Treasury Offices. This practice was changed and made the pensioners to opt the Bank which is nearer to them for receipt of pension through Banks. The other conditions remain unchanged. The Charged Officer is under the impression that consequent to the orders issued in the said GOs, no checks need be effected as the orders issued are pending amendment to the respective codal provision. There is no such amendment in the orders issued. Hence, the respective codal provisions remain in force and needs to be followed. Due to non-exercise of checks fraudulent payment of pensions were occurred due to replacement of photos and other information in the descriptive rolls of pension payment orders with bogus photos and rolls. Mustering of pensioners would have identified such cases. In the G.O.79 and 213 orders have been issued for furnishing necessary certificates through banks, but the process of mustering will help pension disbursing officer to establish proof of pensioners existence. **The Charged Officer had totally failed to follow the procedure of payment of pension stipulated under A.P. Treasury Code.** Therefore, Government, provisionally decided to impose a punishment of withholding of Rs.4,055/- from her pension for a period of 36 months on Smt.Juliana, APPO (Retd.) and addressed the Secretary, Andhra Pradesh Public Service Commission for according concurrence of the Commission with the proposed punishment against Smt.Juliana, APPO (Retd.) and intimate the same to the Government for taking further action.

12. The Secretary, A.P. Public Service Commission, Hyderabad in their letter 10th read above, have concurred with the proposal of the Government for imposition of a punishment of withholding Rs.4,055/- per month from pension for a period of 36 months on the Charged Officer Smt.Juliana, APPO (Retd.)

13. Government accordingly, hereby order for imposition of a punishment of withholding Rs.4,055/- per month from pension for a period of 36 months on the Charged Officer Smt.Juliana, APPO (Retd.) under Rule 9 of A.P. Revised Pension Rules, 1980.

14. The Director of Treasuries and Accounts, Hyderabad shall take necessary further action in the matter accordingly.

15. The G.O. is available on Internet and can be accessed at the address <http://www.goir.ap.gov.in>.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**L.V.SUBRAHMANYAM
PRINCIPAL SECRETARY TO GOVERNMENT (FP)**

To

The individual through Director of Treasuries and Accounts, AP, Hyderabad.

The Director of Treasuries and Accounts, AP, Hyderabad.

The Joint Director, PPO, Hyderabad.

Copy to:

The Secretary, A.P. Public Service Commission, AP, Hyderabad.

The Secretary, A.P. Vigilance Commission, A.P., Hyderabad.

The Accountant General, A.P., Hyderabad.

SF/SC

:: FORWARDED BY ORDER ::

SECTION OFFICER